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MESSAGE

OF

GOVERNOR SAM C. FORD

TO THE

Twenty-ninth Legislative Assembly

OF THE

STATE OF MONTANA

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STATE PUBLISHING CO., HELENA, MONT.

GOVERNOR'S MESSAGE

Mr. President, Mr. Speaker and Members of the Twenty-ninth Legislative Assembly:

We are assembled here today in obedience to a mandate from the people of Montana. They have imposed upon us the duty of performing a constitutional function of government. Through us, their representatives, the people of Montana again are about to make laws to perpetuate and perfect this sovereign commonwealth as an instrument to implement the general welfare. Through us they are about to enact laws under which they will continue to govern themselves, and through us they will give direction and purpose to public policy. I am confident that each of us will meet this responsibility with unswerving fidelity and devotion.

This, I cannot but believe, is the most important Legislative Session in Montana's history. Never before has there been so great a need for statesmanship and leadership as there is at this moment when we dedicate our joint efforts to problems immediate and anticipated. What we do here in these 60 days will profoundly affect the future of Montana.

Montana is at the crossroads of her destiny. What we now do will have a significant, if not decisive, bearing on that destiny. In our deliberations and actions we should proceed from the premise that at this critical time, today is irrevocably linked with tomorrow.

Montana became a Territory nearly 81 years ago, a State 55 years ago. In all those years the aspirations of our people have remained essentially constant and unchanged. Montana aspired then and aspires now to an economic development consistent with her resources and natural opportunities. Conspicuous as our development has been, it is enormously short of what it could be.

In all these years our progress has been retarded and often frustrated by national policies, political and economic, which, for advantage elsewhere, have ignored and denied our right to develop. Montana has been looked upon as a vast treasury of raw materials on which others might draw as they might want or need these resources, but with little consideration for our claims of equality and the right to grow and prosper.

FEDERAL ENCROACHMENT.

It has long been inevitable that as the complexity of our national economy increased, the functions of the Federal government would reach further and further into the realm of what was traditionally considered the functions of the States. Within its proper limits this trend serves the needs of all the people. But when it overreaches its proper limits and seeks to transcend and usurp State sovereignty, that is when the people of the State must resist. This is why the people of Montana generally are now fighting to protect their commonwealth against bureaucratic infiltration. Montana has been and is willing to live and work in equitable partnership with Washington, but not under domination by Washington.

Perhaps the most insidious and sinister threat to Montana's sovereignty today is area development, specifically the proposed Missouri River basin development and the Columbia River basin development. It is not because the development of a whole area is proposed that State sovereignty is threatened—it is the planners who would not only nullify the inherent right we have to our natural resources for our beneficial use, but moreover, through overriding power, they would superimpose a government of decree and directive on a government of laws. If these planners were to have their unrestrained way, laws that might be enacted by this Legislative Assembly would, if they ran counter to the plans of the planners, be empty gestures of self-government.

It is the unwillingness of State and local governments to assume their fundamental responsibilities that has opened the way for more and more Federal usurpation of State's rights. Sometimes it has been the spur of the necessity of the moment that has caused us to turn to Washington for rescue. But too often the price of rescue has been bondage to bureaucrats. We must choose between the traditional American principle of helping ourselves to the limit of our abilities or letting Washington help us out of difficulty into permanent regimentation.

As we stand today at the crossroads of our destiny, it is our duty, as I see it, to make sure that through no neglect of ours the resources on which we depend for our future prosperity are not taken from us and that the sovereignty Montana proclaimed when she entered the Union of States remains virile and intact.

FIVE CATEGORIES OF INTEREST.

As we begin this Twenty-ninth Legislative Session, there are five general categories of superseding interest that should concern us:

1. We should continue to exert the full weight of our material power, our manpower and the loyalty of our citizens for the winning of the war.

2. We should, with all the foresight and diligence we can muster, prepare now to meet the problems Montana must face in the postwar period.

3. We should, with wisely calculated anticipation of the needs of the future, provide as adequately as we can for the functioning that will be demanded of our educational and eleemosynary institutions.

4. We should take into account how, within the scope of present and anticipated funds, the State can enlarge its assistance to the needy aged, the widow and orphan and the unemployed worker.

5. We should consider what can feasibly be done to make the State government administratively more efficient.

We are all proudly aware of the large number of our young men and women in the war services. Perhaps the best tribute we can in a practical way pay them for their sacrifices is to continue to support them through our purchases of war bonds and to continue to work and produce so they will be equipped for the tests on battlefields yet to come.

Our prayers and our hopes. most of all, are for the day when not one foe will be able to stand against us, and our defenders can return to us. But the day of victory will find us on the threshold of problems so complex and so manifold that I dare say few, if any, of us now can comprehend their full import or can fathom the mechanics of their solution. We shall face rehabilitation, reconversion, reconstruction—and an awing future.

Our program to meet the postwar crisis will be one of intermingling and interrelated activities. There will have to be a meshing of many gears. Our first thought will be of those who return to us broken in body or impaired in health—those who will need to be fitted for a new life.

The State government, through its higher educational system, its Veterans' Welfare Commission and other agencies, is working with the Veterans' Administration and other Federal units for the rehabilitation of these men and to aid them otherwise. I urge a sufficient appropriation so the Veterans' Welfare Commission can meet its responsibilities to our returning veterans.

The keystone of the whole plan for transition from a war basis

to a peacetime economy is employment. All of us appreciate the transcending importance and urgency of this. We cannot expect that private industry and business can immediately absorb those thousands of men who, taking off the uniform, will want to get back on civilian jobs. Nor can we now anticipate in what degree a changed outlook may alter their vocational preferences.

INTERIM EMPLOYMENT.

Government at the top is vividly conscious of the need for providing interim employment. To provide employment for the returning veterans and war workers is deemed as essential as any war activity if an economic breakdown is to be avoided. What we, as a State government, can do is minor in comparison to Federal apropriations, but the State government must cooperate with the Federal government in planning a public works program which will cushion the shock during the period of reconversion. It may be that legislation will be required, and I hope definite pronouncements from Congress will come in time so they can be acted upon at this Session.

I have said that government at the top is vividly conscious of the need for employment until industry and business can take over the load. It is to be hoped that every unit of government down through the counties, cities and school districts in Montana will have the same consciousness of this need. Just as the national and State governments are now planning to provide postwar jobs, through work of permanent value, so also should the smaller units of government make their plans now. Recent Federal legislation provides fund grants for planning, but Montana will have to pass an enabling act so the units of government can participate.

Montana, through the State Planning Board, has prepared a program of construction, mostly of public buildings. This Board, having the same membership as the State Water Conservation Board and the Rural Electrification Board, has the personnel and facilities for an extensive range of postwar planning. I believe the State Planning Board could be of great assistance to local units of government, and it may be that this Board, possibly with some enlargement of its powers, would be the logical agency of contact between Washington and local governments. If this Board is to give the services within its scope, more ample financial provision for it must be made.

We cannot preserve our waters for our own needs unless we put them to beneficial use, and it cannot be disputed that one of the best investments Montana can make for the future is the develop-

ment of her water resources. The State Water Conservation Board has outstanding achievements to its credit in carrying forward a program born of the depression. The Board has prepared an extensive postwar plan which in the execution will substantially enhance Montana's economic advancement and stability. There is every justification for a materially increased appropriation for the Water Conservation Board.

Notable progress is being made in rural electrification. I am sure all of us wish to see this enterprise expanded until every rural home in Montana that can feasibly be reached has electricity. The State Rural Electrification Board does the engineering and is the contact between the Federal authority and the districts.

ADVERTISE MONTANA.

In our postwar development we need to be alert to the advantages that will accrue to us through advertising the resources, opportunities and recreational facilities of Montana. For years we have intermittently undertaken to publicize the State, but we have never done it comprehensively, systematically or persistently.

We have been building up our fish and game resources. The dude ranch business has expanded considerably. The war has revealed new possibilities for recovery of metals and minerals in Montana. So, looking at Montana as a veritable empire of natural and scenic resources, we know we have much to sell to the rest of the country.

In accordance with this concept of our opportunities, I recommend an appropriation of $100,000 a year to the State Board of Examiners for advertising Montana, especially for tourist travel and our natural resources.

The State government has projected a State building program. You are aware that because of the war, it has not been possible to start construction at the Warm Springs Hospital. The half-million-dollar bond issue for that purpose is nearly paid off. Although the bond issue authorization was sufficient in amount when it was granted by the people four years ago, construction costs have risen from 25 to 40 per cent. Hence, it will be necessary, if adequate housing is to be obtained at Warm Springs, for the Legislature to provide additional funds.

Also contemplated is a State office building. It is badly needed, and the prospect is good that we can finance this project without difficulty. Authorized and waiting for the end of the war is the Veterans' and Pioneers' Memorial building.

This construction and the construction urgently required by various of the State institutions can be of considerable help in meeting the employment needs of returned veterans and war industry workers. But if we are to be ready to begin as soon as materials are available, we must reduce these projects to blueprints—we must have all details ready. Architectural and engineering work should be done now. This preliminary work, if delayed until after the war, will be a costly loss of time. Accordingly, I recommend that you immediately appropriate $50,000 for use of the State Board of Examiners for architectural and engineering services so that our State building program can begin at the earliest possible moment.

HIGHWAY CONSTRUCTION.

Highway construction will be a major factor in Montana's postwar employment program. Congress recently authorized appropriation of a billion and a half dollars for highway construction, to be allocated to the States on a fifty-fifty basis. Montana's share will approximate $24,000,000.

Montana is ready to avail herself of these funds. The State Highway Commission has prepared plans for a general overall system of highways, including the rebuilding of all substandard highways, the completion of the seven per cent system and the construction of secondary or farm-to-market roads.

This program calls for the expenditure of $47,000,000 in the three years immediately following the war. During the last three years the Department has been able to do little more than keep our highways in service, and this has been done remarkably well, considering the lack of equipment and materials and the manpower shortage. But we have been able to build up our State highway fund. With the balance now in the fund, it is believed we shall be able to match all Federal aid money in carrying out our first year's program, but it is not anticipated that the revenue from the gasoline tax will be sufficient to match available Federal aid funds. Hence, provision for financing a long-term highway program merits your present consideration.

STATE INSTITUTIONS.

The physical and functional condition of our state institutions, especially the mental hospital at Warm Springs and the University system, implores your profound attention. I strongly urge that committees, preferably joint committees, from your two bodies visit the institutions early in the Session and make a searching analysis of their operation, their needs and the demands upon them. A

tendency to temporize or not to meet situations decisively has permitted the problems of some of our institutions to expand alarmingly. Corrective action is urgent.

One instance in which orientation and definition of policy is emphatically necessary is in regard to the University system. The alternatives that face us are these: We can let the University system decline into impotence or we can heighten its standards. Whether we like it or not, one or the other will happen. We must decide whether our children can get an accredited education in Montana and remain to build the Montana we hope there will be, or we must decide whether we prefer to continue a group of schools which are wasteful of public funds because they fail through public neglect in their larger service to the people of Montana. The problem boils down to this.

Despite the handicaps resulting from inadequate financial support, the University units are doing commendable work. But it should be obvious to all of us that unless the academic standing of these schools meets accrediting standards, we in Montana as taxpayers and as parents who send our children to these schools are losing money.

To particularize one phase of this problem permit me to cite that the Departments of Chemical Engineering and Industrial Engineering at the State College and the Schools of Forestry and Business Administration at the State University in Missoula are not accredited by the national accrediting associations. This makes it difficult for graduates of these schools and departments to pursue graduate work in accredited colleges and universities, and it interposes serious difficulties to our students transferring to other institutions. Our graduates are under a marked disadvantage in competing for positions against graduates from accredited colleges and universities.

This condition is due in large measure to lack of proper financial support.

IMPROVE OR CLOSE.

I think, in fairness, I should report to you that unless these schools and departments are brought to accrediting standards, the State Board of Education intends to close them and discontinue instruction in these very important fields.

Much serious thought has been given to this situation. You will have for your consideration the report of the Montana Commission on Higher Education, a group of 19 men and women appointed by the State Board of Education in 1943.

I particularly direct your attention to two recommendations in the Commission's report:

1. The State Board of Education should be so reconstituted through constitutional amendment and statute that it can effectively administer the higher educational system. The Board now has vast responsibilities but not attendant powers.

2. The six units should be organized as a single administrative institution with a unified budget and an integrated educational program.

HOME FOR THE AGED.

The State Hospital at Warm Springs has long been a disheartening problem. Although notable improvement has been made in conditions there, we are still far short of providing the care that the people of Montana want given these unfortunates. Between 300 and 350 old folks who are not insane but senile are at the present time committed to the hospital. They do not belong in that institution. I, therefore, recommend that you give earnest consideration to the establishment of a home for the aged separate from the institution at Warm Springs. To provide such a home would not only be a humanitarian action, but it would help relieve the overcrowded condition at the hospital.

Notwithstanding formidable handicaps attributable to the war, substantial improvements have been made in all of our state institutions. A law enacted in 1943 authorizing institutions to trade surplus commodities has made it possible for us to carry on satisfactorily, and supplemental appropriations will be necessary for only one or two of the institutions.

Renewed emphasis has been put on crop and livestock production, and the results have been good. Through foresight and careful management, notable achievement has been made at the State Prison at Deer Lodge. A beef herd has been built up there which is expected perpetually to take care of the meat needs of the institution. Produce from the Prison farm has helped other institutions, especially the Warm Springs Hospital, the Tuberculosis Hospital at Galen and the State Orphans' Home at Twin Bridges.

Low wages have made the manpower shortage at various State Institutions even more acute than it would normally be at this time. Because of this situation, it has been extremely difficult to obtain experienced attendants and other employees. This has placed a grave burden on the heads of these institutions. We have increased salaries and wages substantially, but we have been unable to compete with institutions in other States where better wages are paid.

If we are to attract the type of employees needed at these institutions, we must meet this wage competition.

PUBLIC WELFARE.

It is gratifying that during the last two years payments to the aged, to neglected and dependent children and to the blind have substantially increased, but these increases have largely been absorbed by advanced living costs. Accordingly, I urge your most careful consideration of this problem to the end that more ample provision may be made for these people whose plight, I am sure, appeals to all of us.

I believe the time has come to strengthen our social security laws. After eight years' operation, the old age and survivors' insurance program—managed exclusively by the Federal government—grants persons 65 years old or over the pitifully inadequate allowance of less than $24 a month. Though cash reserves of five billion dollars have been built up, $5 is now being collected for each dollar paid to the aged. And yet the Social Security Board appears recently to have expended its full energies in criticizing the State unemployment compensation and assistance program, in continuing efforts at Federalizing all social service activities, and in attempts to double the present Federal old age tax collections upon both employer and employee.

There is little Montana can do to improve the Federal old age system except to petition Congress for a resurvey of the present system, with the hope of expanding coverage and increasing the benefit structure. But perhaps our own most effective way of countering the growing threat of Federalization is to strengthen our own State programs.

Through unemployment compensation we have partially provided for the able-bodied industrial worker when his pay check stops. We should now give some measure of insurance to the worker who becomes too ill to work. The disabled worker is in greater need than the unemployed worker. Cash sick benefit insurance should, in equity, have come before unemployment compensation, for the disabled worker faces increased expenses for medical and hospital care, in addition to his loss of wages.

I do not favor the regimentation of hospitals and physicians from Washington, but I believe we can devise a simple, workable and not too expensive plan to provide cash sickness insurance that will lighten the burden disability brings, and we should do so.

UNEMPLOYMENT COMPENSATION.

Most of us will agree that the unemployment compensation program has worked better than many expected. In cash reserves the Unemployment Compensation Commission of Montana has some $15,500,000. The Federal government has assumed the cost of allowances to returned soldiers and has strengthened our position by the offer of loans without interest as necessary. We in Montana do not intend to avail ourselves of this offer.

Here again we are confronted by increased living costs, but, unlike in the old age assistance program, unemployment compensation has remained stationary.

We are, I think, now in a position where we can, with prudence and safety, liberalize our benefit structure, and I recommend that we do so at this Session as to the average weekly benefit amount, minimum and maximum amounts paid and duration in case of need.

These programs should, in my opinion, remain with local management. The Employment Service should be returned to the State. Unless Montana, in common with other States, assumes its responsibilities by improving its social security laws, more extreme and impractical measures are liable to be adopted at the behest of Federal bureaus and management transferred to Washington.

RETIREMENT SYSTEMS.

Also of concern to us is if we are to retain even a semblance of local control in the social welfare field in regard to retirement systems affecting public employees. Our present teachers' retirement salary law is wholly inadequate. It has never worked satisfactorily nor provided the retiring teacher with the security intended. I urgently recommend that through statutory enactment its deficiencies be cured and the retirement plan be put on a sound and permanent basis.

A proposal to establish a retirement system for State employees and in which the employees of other units of government under the State can participate will come to your attention. This question deserves serious thought. I think it certain that unless the State makes suitable provision for these employees, the present Federal social security laws will be extended to bring these employees into the Federal system.

FINANCES.

In dealing with the more or less routine phases of the State

government, finances are the primary and chief consideration. It will be seen that because of the twofold need to provide more adequately for activities, such as our institutions, that are our constant responsibility, and, on the other hand, to set up a postwar program as a stimulus during the transition period back to a peacetime economy, we cannot escape the factor of cost as balanced against our financial resources. So manifestly a profound contemplation of our financing abilities must be the basis for the building of our plans.

The State government is in the best financial condition in its history. Our general fund balance is around five million dollars. The University millage fund has a balance of about a million dollars. We are well ahead on all our bond principal and interest requirements. Our surpluses are more or less typical of the States generally at this time.

We should, however, keep in mind that these are not normal times. We cannot safely assume that the State government's income will remain at the current figure, nor can local units of government safely assume that their financial condition will continue as prosperous as it is now.

The last three years it has been unnecessary to make a property tax levy for State general fund purposes. It would, I believe, be good business practice to make the levy in good times like these so as to build up as large a surplus as possible for less favorable times and especially for our postwar program. The Constitution, however, provides that only as much levy shall be made within the constitutional limit as will be necessary to meet the appropriations the Legislature has made for each of the years of the biennium. Hence, when revenue from other sources, such as license taxes, is sufficient to meet the appropriations, no millage levy is permissible.

I anticipate that in any event you will authorize the levy as you have always done in the past. Appropriations for expenditure on postwar projects, should that come before the next regular session, could in effect impound funds for specific purposes. This money, if unused, could be reappropriated two years from now.

GREATER EFFICIENCY.

We are all interested, I am sure, in making State administration more efficient and simple. The 1941 Assembly authorized appointment of a Committee on Reorganization and Economy. This Committee's recommendations were considered by the 1943 Legislature, but were accorded no substantial adoption. I believe the Committee's report could be profitably re-examined, and I commend it to your study. Streamlining the State government, espe-

cially in some of its activities, such as accounting, is a practical need that in at least some instances can be met without constitutional amendment. We should not further delay making a start.

Under the provisions of House Bill 282, Laws of the 28th Legislative Assembly, money was appropriated to conduct an investigation of the Bear Creek coal mine disaster. Acting under this authority, the Governor appointed a commission, a copy of whose report will be provided for each member of this Assembly. The commission's recommendations for certain amendments to our coal mining laws will, I am confident, have your careful consideration.

A recent decision of the United States Supreme Court, declaring the insurance business interstate commerce, has brought into serious doubt the power of the States to tax and regulate this business, both from the standpoint of the public and as a source of State revenue. This is of vital concern to the protection of Montana policyholders and to the State as a taxing authority, with $400,000 annual revenue at stake. I strongly urge your attention to this problem so that legislation may be enacted reserving to the State the right to regulate insurance business transacted within the State.

Administration of laws pertaining to labor by the Department of Agriculture appears to me illogical. In 1943 I recommended creation of a separate Department of Labor, and I still believe this should be done. But regardless of what action is taken in this respect, we should either make more adequate financial provision for enforcing our labor laws or cease our attempt to enforce them. The war has greatly increased the demands on the Labor Division. It is important that it function properly.

REDEDICATION TO VICTORY.

I have undertaken to outline the matters which I believe concern us most as we embark upon the deliberations of these 60 days of service to the people of Montana. First of all, we rededicate ourselves and our State to a continued full contribution to the victory that still must be won over the arms and ambitions of tyrants. Secondly, we must dedicate our efforts and our wisdom to victory over economic forces that we must meet when days of peace return. And as we go along in the present we must demonstrate with new force and new vision that our government here in Montana is increasingly conscious of its humanitarian, social and educational responsibilities and opportunities.

During these 60 days the Legislative and Executive branches of State government will work together in the singleness of purpose

of making Montana a better, a greater State—a State where we all can be happy and secure today and tomorrow. In these deliberations there will be differences in viewpoints, divergent approaches to the problems that confront us, but I know that as to the object to be achieved—a greater Montana—there will be but one mind and one heart.